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ABSTRACT

The National Coalition of Hispanic Health and Human Services Organizations has sponsored a series of conferences that bring together Hispanic health and human services leaders. This report is the result of in-depth consideration and deliberation by a representative group of Hispanic community health and human services leaders who met in Washington, DC, February 12-14, 1995 as part of the Welfare Reform Community Agenda Forum. Hispanics in the United States are a community of 27.5 million people, the vast majority of whom work, have strong family networks, and pay taxes. Hispanics are less likely than any other major American ethnic group to be in the welfare system, but some segments of the population do need help. To promote self-sufficiency for all, the first priority is to create systems that support families, children, the elderly, and other individuals. Key to this effort is providing child care for parents participating in education and job skill training. Also important is the provision of parenting education and access to information and education on child spacing. A second necessity is to create meaningful opportunities for education, training, and employment through guaranteed access to approved training and education geared to the individual and linked to actual employment opportunities. A third priority is to create administrative systems that are accountable to communities. Attachments discuss myths and facts about welfare recipients and present a primer of welfare programs with descriptions of major federal programs. The Job Opportunities and Basic Skills Program (JOBS) is one of the key elements of the 1988 Family Support Act, and as such provides mandatory education, job training, and employment services to parents of families receiving Aid to Families of Dependent Children. (Contains three tables and six figures.) (SLD)

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ED 410 338

FOR THE 21ST CENTURY:

THE WELFARE REFORM COMMUNITY AGENDA

FEBRUARY 1995

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NATIONAL COALITION OF HISPANIC HEALTH AND HUMAN SERVICES ORGANIZATIONS

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National Coalition of Hispanic Health and Human Services Organizations

MISSION : To improve the health and well-being of all Hispanic communities throughout the United States.

Founded in 1973, COSSMHO is the sole organization focusing on the health, mental health, and human services needs of the diverse Hispanic communities. COSSMHO's membership has grown to over 1,100 front-line health and human services providers and organizations serving Hispanic communities. COSSMHO fulfills its mission by working with community-based organizations; universities; federal, state, and local governments; foundations; and corporations. COSSMHO is governed by a volunteer board of directors and managed by its President and Chief Executive Officer who oversees a staff of 35 professionals. COSSMHO derives its support from grants, contracts, corporate sponsorships, and membership fees. Consistent with its health-focused mission, COSSMHO does not accept funds from alcohol or tobacco companies or their subsidiaries. For additional information, please contact: COSSMHO; 1501 Sixteenth Street, N.W.; Washington D.C. 20036; (202) 387-5000.

COSSMHO would like to express its sincere appreciation to the Annie E. Casey Foundation for their vision, funding support and collaborative efforts in the Welfare Reform Community Agenda initiative.

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COMMUNITY WELFARE AGENDA:

MAKING IT WORK

PREFACE

For the 21st Century is a series of COSSMHO consensus conferences which provide policymakers with an ongoing source of information on the health and human services concerns and priorities of Hispanic communities. Each conference brings together a representative group of Hispanic health and human services leadership. These leaders actively participate in a series of in-depth senior level policy briefings and a day-long facilitated session during which the participants stay together as a group to establish consensus on a community agenda. Each conference produces a summary report delivered by the participants to policymakers through a series of Congressional and Executive Branch meetings, national and local press conferences, and community town meetings. Previous reports in this series have focused on mental health, health reform, and traffic safety. This report, *For the 21st Century: The Welfare Reform Community Agenda*, is the result of in-depth consideration and deliberation by a representative group of Hispanic community health and human services leaders who met in Washington, D.C. on February 12-14, 1995 as part of the *Welfare Reform Community Agenda Forum*.

COMMUNITY WELFARE AGENDA: MAKING IT WORK

Vision: Democracy in action requires the formulation of partnerships to create the conditions in which all individuals can contribute to the best of their abilities.

Welfare must become a comprehensive system of integrated programs that provides support and removes barriers for those who may need help at certain points in their lives to attain self-sufficiency. In this vision, welfare is a system for prevention and capacity building. Its long-term benefit can be measured in the ability of future generations to contribute to society.

A person may become a welfare recipient at any time. Welfare recipients include children, the elderly, the disabled, youth, displaced workers, persons who have had a major family disruption and must now support a family on their own, or persons who are striving for self-sufficiency. An effective system insures that participants maintain their dignity, and provides incentives for growth.

Hispanics are a community of 27.5 million people the vast majority of whom work, support the elderly, have strong family networks, and pay taxes. Although some Hispanics are low-wage earners, we are less likely than any other community to be in the welfare system. Yet, there are segments of our population that need help. Consequently, we recommend that to promote the goal of self-sufficiency, the system must:

1. Create systems that support families, children, the elderly, and other individuals;
2. Create meaningful opportunities for education, training, and employment; and,
3. Create administrative systems accountable to communities.

This is our Contract with Hispanic Communities.

Preamble: **All citizens and legal non-citizens should be eligible to participate in the welfare system. This system must provide culturally competent services and be fully funded to accomplish the following:**

I. Create systems that support families, children, the elderly, and other individuals.

- Child care should be provided in a seamless system and guarantee:
  - — High-quality, neighborhood-based, and affordable child care for parent(s) who are participating in education, training, treatment, and/or employment programs;
  - — Child care for parents in transition; and,
  - — Subsidies for the working poor.

- Aid to Families with Dependent Children (AFDC) eligibility should be based on family income and employment status (to preserve the integrity of the family structure). This would allow two-parent families living in poverty to qualify for AFDC.

- Bring all families up to 100 percent of the poverty level.

- Encourage intergenerational programs, e.g., foster grandparents, etc.

- Insure that treatment is available to welfare recipients who need it.

- Insure access to information and education on child spacing.

- Provide parenting education.

- Child support enforcement activities must:
  - — develop a national tracking system; and,
  - — facilitate the establishment of paternity.

II. Create meaningful opportunities for education, training, and employment. Given that there is a shrinking job market and that there are people who are not job-ready, we must provide:

- Guaranteed access to approved training and education geared to the individual, e.g., alternative education for adolescents, basic adult education, ESL, literacy programs, GED, etc. Duration of programs will be consistent with needs of the individual.

- Education and job training should be linked to actual employment opportunities. To create opportunities for jobs, partnerships should be established with federal contractors, empowerment zones, new technologies, community-based organizations, and entrepreneurial opportunities.

- Where jobs in the regional economy are not available to participants who complete education and/or training programs, subsidized employment opportunities should be available that pay at least 100% of the poverty level.

- Job placement in community-based organizations should include adequate support for training and overhead costs.

- In order to emphasize actual job placements there need to be properly trained job developers.

- Transitional supportive services need to insure adjunct services (Medicaid, child care, transportation) for a limited time period.

- Time periods for job search should be expanded to a minimum of six months.

- Case management standards need to be established.

- Case-loads standard should be tailored to the complexity of the clients needs.

III. Create administrative systems accountable to communities.

- The federal government should set standards for benefits, services and eligibility to which welfare program block grants would be held accountable.

- The welfare system should retain its entitlement status.

- Any programs under a state block grant should retain entitlement status and establish:
  — Administrative caps to insure that the majority of funds reach the local community providers for direct services. For example, states and local government administrative costs could be capped at twelve percent.
  — Formulas which factor in on annual basis measures at the community level of:
    — total population;
    — fair market values of housing, utilities, food, and other basic needs;
    — unemployment rate;
    — poverty rate; and
    — indexing for inflation.

- Since local community-based organizations are the closest link to the participants, they should receive at least 60% of service dollars.

- At least 7% of funds should be made available to community-based providers for infrastructure and technology development.

- Any local service, policy making, and/or planning boards must reflect proportionately the make up of the community and the population living in poverty. For example, a board could be made up of 1/3 recipients, 1/3 providers, and 1/3 elected officials.

- Funds should be set aside for innovative and model programs in high-risk populations.

- Data collection and evaluation efforts must include information by race and ethnicity.

- Performance measures must be included for tracking state and local programs.

- Funds should be allocated for computerized tracking systems.

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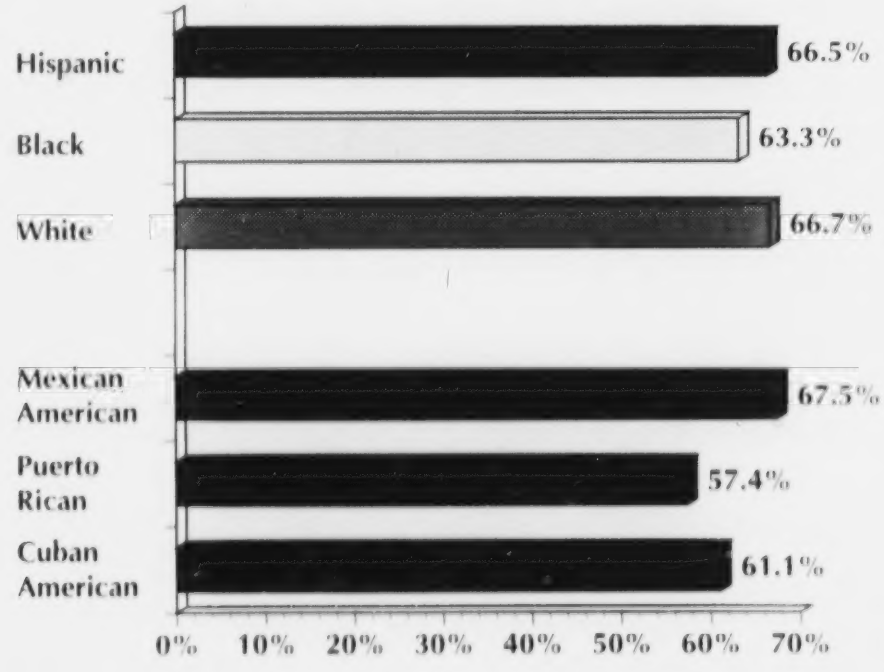
Setting the Record Straight

Myths and Facts About Welfare

MYTH: **Hispanics are less likely to work than other groups.**

FACT: Hispanics are as likely as other groups to participate in the labor force. However, despite high rates of participation in the labor force, in 1992, nearly one-third (32%) of Hispanic families lived below the federal poverty line, compared to 14% of non-Hispanic white families.[1] In the Commonwealth of Puerto Rico, more than one half (55.3%) of all families live in poverty.[2]

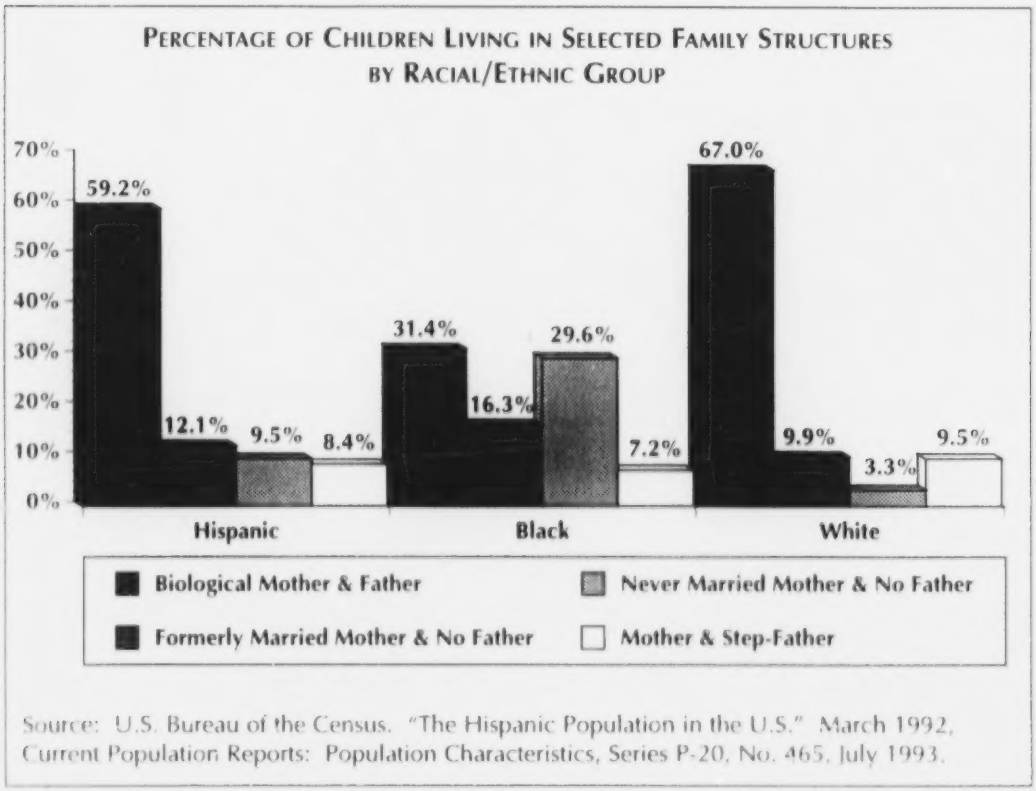
PERCENTAGE OF WORKING-AGE POPULATION PARTICIPATING IN THE LABOR FORCE BY RACIAL/ETHNIC GROUP AND HISPANIC SUBGROUP



Source: U.S. Department of Labor, "Employment and Earnings," Vol. 40, No. 1, January 1993.

MYTH: **Single female-headed households are a common Hispanic family structure.**

FACT: Two-parent families are the most common Hispanic family structure. More than half (67.6%) of Hispanic children lived in a household with a mother and a father (including step-fathers) compared to 38.6% of black children and 76.5% of white children.

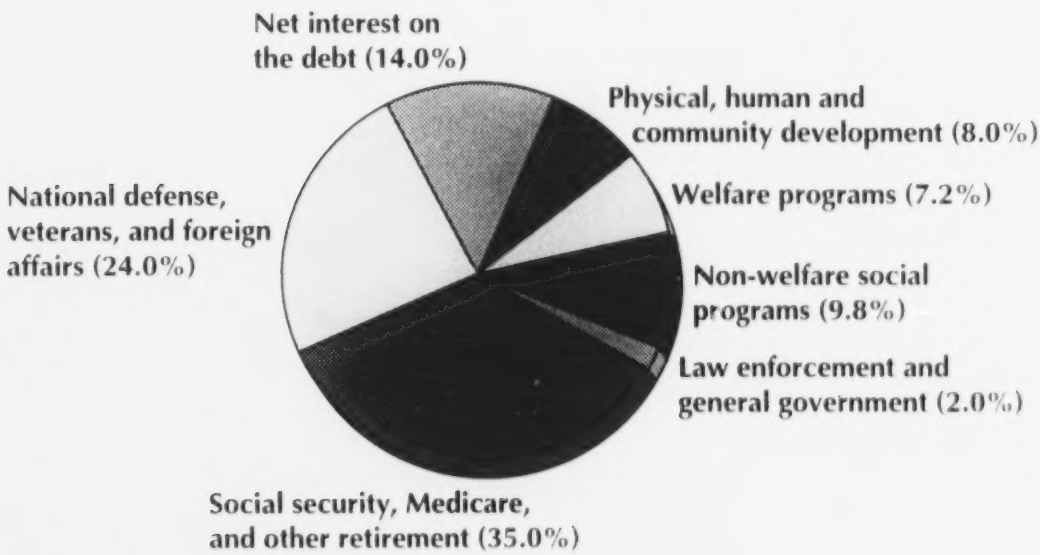


Source: U.S. Bureau of the Census. "The Hispanic Population in the U.S." March 1992, Current Population Reports: Population Characteristics, Series P-20, No. 465, July 1993.

MYTH: **Welfare spending takes up a large percentage of the federal budget.**

FACT: Federal spending on welfare accounted for 7.2% of all federal spending in fiscal 1993. All federal spending on welfare was $101.5 billion in that year. AFDC, the program that draws the most negative attention, made up $16.4 billion of all total federal spending in fiscal 1993.

WELFARE SPENDING AS A PERCENTAGE OF FISCAL YEAR 1993 FEDERAL SPENDING

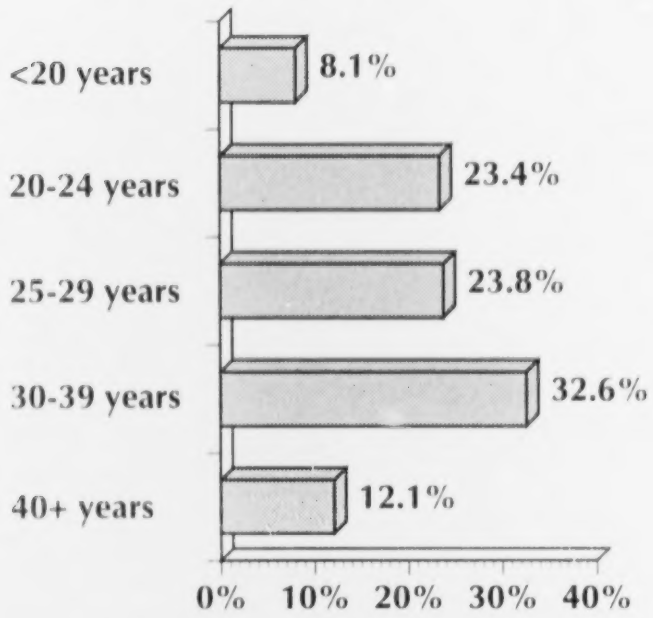

Net interest on the debt (14.0%)
Physical, human and community development (8.0%)
Welfare programs (7.2%)
Non-welfare social programs (9.8%)
Law enforcement and general government (2.0%)
Social security, Medicare, and other retirement (35.0%)
National defense, veterans, and foreign affairs (24.0%)

Source: U.S. House of Representatives, Committee on Ways and Means. "1994 Green Book," July 15, 1994. Internal Revenue Service "Major Categories of Federal Income and Outlays for Fiscal Year 1993," 1994.

MYTH: **Most people on welfare are teen mothers for whom AFDC benefits create an incentive to have large families they cannot support.**

FACT: On the contrary, only 8.1% of AFDC recipients are teens, and about one-third (32.6%) are women between 30 and 39 years of age. The average family composition for 42% of the current AFDC households is a single mother and one child.[3]

PERCENTAGE DISTRIBUTION OF MOTHERS RECEIVING AFDC BENEFITS BY AGE OF RECIPIENT

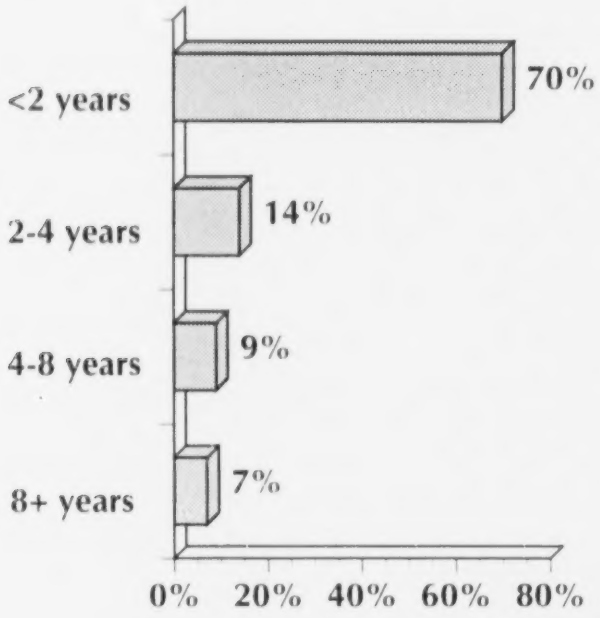


Source: Data of the National Association of State Budget Officers as reported in the New York Times, "Welfare as We've Known It," June 19, 1994.

MYTH: **Welfare discourages people from working.**

FACT: More than two-thirds (70%) leave the welfare rolls in less than two years, after initially receiving benefits.[4] However, the recession of the early 1990s increased the welfare rolls and made it harder for states to pay for new job education and training programs under the Family Support Act. Currently only 11% of AFDC recipients were enrolled in JOBS, the major education and training program under AFDC.

LENGTH OF STAY ON WELFARE UPON FIRST RECEIPT OF BENEFITS

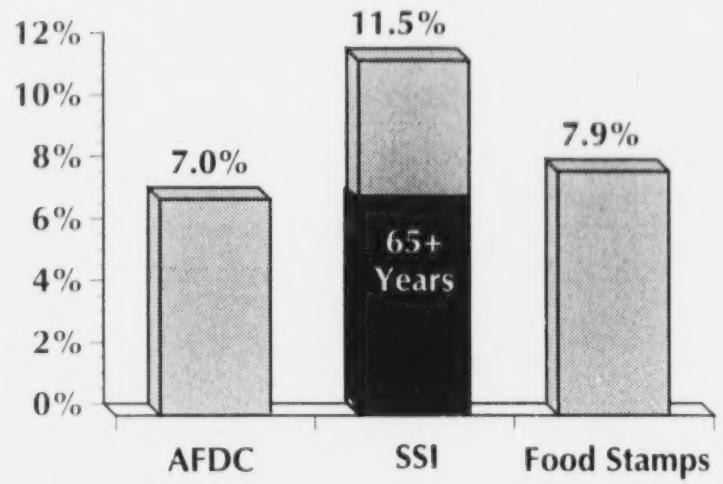


Source: U.S. House of Representatives, Committee on Ways and Means. "1994 Green Book," July 15, 1994.

MYTH: **Immigrants are consuming a major portion of the welfare budget.**

FACT: Undocumented immigrants are not eligible for AFDC, SSI, or Food Stamps. Among AFDC recipients, non-citizen legal immigrants comprised only 7.0% (324,425) of the total AFDC population in fiscal 1992. Also in fiscal 1992, 11.5% (683,150) of the total number of individuals receiving SSI were non-citizen legal immigrants. Of this population, 61% were 65 or older when they first began receiving SSI benefits, and 39% were either blind or disabled.[5]

PERCENTAGE OF WELFARE RECIPIENTS WHO ARE NON-CITIZEN LEGAL IMMIGRANTS BY SELECTED WELFARE PROGRAMS



Source: U.S. Department of Health and Human Services. "Fact Sheet on Immigration," Special data run of the Office of the Assistant Secretary for Planning and Evaluation, 1995.

MYTH: **Hispanics make up a disproportionate percentage of welfare program recipients.**

FACT: In general, Hispanics are a lower percentage of welfare program recipients than their representation among persons living in poverty. The following chart details welfare program recipient data and persons in poverty by racial and ethnic group.

PERCENTAGE DISTRIBUTION OF WELFARE PROGRAM PARTICIPANTS BY PROGRAM AND RACIAL/ETHNIC GROUP

	Hispanic	Non-Hispanic white	Non-Hispanic black
% of All Persons in Poverty	17.9%	49.5%	29.3%
Medicaid	17.0%	47.0%	31.0%
JOBS	12.8%	47.2%	32.4%
Food Stamps	17.0%	46.0%	33.0%
WIC	23.0%	44.0%	28.0%
Housing Benefits	14.0%	38.0%	43.0%
Means Tested Cash Assistance	15.0%	48.0%	32.0%

Source: Means Tested Cash Assistance and Food Stamps--Committee on Ways and Means. "1994 Green Book," July 15, 1994. Medicaid--Congressional Research Service, "Time-Limited Welfare Proposals," December 5, 1994 and Health Care Financing Administration, "Medicaid Statistics," October 1994. WIC--United States Department of Agriculture. Special data analysis by the Office of Analysis and Evaluation, Special Nutrition Analysis Branch, January 1995. Housing Benefits--Congressional Research Service. "Time-Limited Welfare Proposals," December 5, 1994.

MYTH: **There are recipients becoming rich on AFDC.**

FACT: No state, commonwealth or U.S. territory provides AFDC coverage up to 100% of the federal poverty level. For example, in Texas the average maximum annual income a family of three can earn and still qualify for AFDC benefits is 29% of the federal poverty level or $3,341. The maximum monthly AFDC benefit a family of three in Texas would receive is $184. The 1994 benefit and qualification standards are based on the 1993 federal poverty level of $11,521 for a family of three.

1994 AFDC BENEFIT AND ELIGIBILITY LEVELS FOR A FAMILY OF THREE AFTER 12 MONTHS IN THE 15 STATES WITH THE LARGEST HISPANIC POPULATIONS AND THE COMMONWEALTH OF PUERTO RICO

State	AFDC Maximum Monthly Benefit (Family of 3)	AFDC Eligibility as a Percent of the Federal Poverty Level (Family of 3)
Arizona	$347	46% ($5,300)
California	$607	73% ($8,410)
Colorado	$356	53% ($6,106)
Connecticut	$680	80% ($9,217)
Florida	$303	41% ($4,724)
Illinois	$367	48% ($5,530)
Massachusetts	$579	70% ($8,065)
Michigan (Wayne County)	$459	57% ($6,567)
New Jersey	$424	54% ($6,221)
New Mexico	$357	47% ($5,415)
New York (New York City)	$577	69% ($7,950)
Pennsylvania	$421	53% ($6,106)
Puerto Rico	$180	28% ($3,226)
Texas	$184	29% ($3,341)
Virginia	$354	46% ($5,300)
Washington	$546	66% ($7,604)

Source: U.S. House of Representatives, Committee on Ways and Means. "1994 Green Book," July 15, 1994.

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Welfare Programs: A Primer

The key welfare reform proposals sponsored in the 104th Congress would fundamentally alter the way welfare programs operate; change the criteria by which individuals would qualify to receive and maintain welfare benefits; and restructure the responsibilities for these programs between the federal government, states and communities.

As the welfare reform debate gathers steam, major philosophical differences in approaches between the two measures are beginning to emerge. In the Republican-sponsored "Contract with America" welfare reform bill, for example, many current federal welfare programs would be replaced by cash block grants, which states would have authority to administer. Individual entitlements to welfare assistance would be eliminated. While more state flexibility is a goal that President Clinton has endorsed, the Administration and some Democratic governors fear that a swift move to a block grant approach would decrease the amount of money that states make available for AFDC, food and nutrition, and other assistance programs.[6]

To better understand the impact of welfare reform proposals on the Hispanic community, it is crucial to first understand how the system operates today. The following section summarizes the eight major federal programs that constitute today's welfare system and the standards that determine whether an individual qualifies for assistance.[7] It also summarizes changes to these programs taking place in many states.

Aid to Families with Dependent Children (AFDC): Aid to Families with Dependent Children, or AFDC, is a federal program that provides monthly cash payments to low-income one-parent and some two-parent families. States administer AFDC, determine the "need standard" (which is linked to the federal poverty level), and set benefit levels. This does not mean that benefits increase each year. In 1992, California, a state that is home to the more than one-quarter (25.8%) of Hispanics living in the United States, was permitted to cut back its AFDC payments to 1988 levels.[8] Furthermore, most states don't adjust AFDC to reflect inflation.

To qualify for AFDC assistance, a household income cannot exceed 100% of the state's need standard, although 37 states pay less than this amount. For example, in Texas the maxi-

mum income that a family of three can earn and still qualify for AFDC is 29% of the federal poverty level.[9] If they qualify, the maximum monthly benefit to that family would be $184 a month.

As the major cash welfare program for 14 million Americans, AFDC costs under state and federal budgets totaled $28.1 billion in fiscal year 1993, according to the Congressional Budget Office. On average, a family of three receives a monthly check of $377 under AFDC.[10] Enrollment typically qualifies a family to receive Food Stamps, free school lunches, Medicaid, and job training assistance.[11] More than one-fourth (26%) of AFDC families also receive direct housing subsidies.

In addition, some AFDC recipients receive child care assistance. The 1988 Family Support Act requires state agencies to guarantee child care for up to a year for employed AFDC recipients, participants in the Job Opportunity and Basic Skills training program and AFDC recipients who leave welfare as a result of increased earnings from employment. However, the law also authorized a maximum subsidy rate for child care providers, meaning that parents must pay the difference if providers charge a higher rate. A December 1994 study by the General Accounting Office (GAO) found that a full child care subsidy would result in a 15% increase in the probability of poor mothers entering or returning to the workforce. The same study found that child care costs consume 27% of the income of poor working mothers compared to an average of 7% for mothers above the poverty level.[12]

In fiscal 1992, some 324,425 legal immigrants received AFDC benefits, or 7% of the total AFDC caseload.[13] Illegal immigrants are not eligible to receive AFDC benefits. AFDC benefits to legal immigrants totaled $2.2 billion or 9.4% of the total AFDC payments of $21.5 billion in 1992. The overwhelming majority (82%) of legal immigrants who receive AFDC benefits reside in six states: California (148,573), New York (61,379), Florida (17,026), Texas (16,961), Massachusetts (13,049), and New Jersey (8,139).[14] According to the GAO, most families with non-citizen legal immigrant AFDC recipients also have citizen recipients in the family.

AFDC currently supports a majority of children born to unwed mothers (53% in 1992 compared to 32% in 1973).[15] The most common family structure for AFDC families is one parent and one child (42%), followed by three-member families (30%) and four-member families (16%).[16] Of the single mothers who received AFDC benefits in 1991, the largest group (32.6%) were between the ages of 30 and 39, according to data from the U. S. House Ways and Means Committee.[17] Only 8.1% were teenage mothers, the committee found. Of those mothers receiving AFDC benefits in 1991, 39% were black, 38% were white, and 17% Hispanic.

At the discretion of the state, two-parent families are eligible for AFDC if the principal wage-earner is unemployed and has a work history. A parent who receives AFDC benefits must be working fewer than 100 hours a month to be considered unemployed by the program's standards. Hispanics represent 13% of the participants in this program, called AFDC-UP (Unemployed Parents).[18]

Data from several multi-year studies indicate that more than two-thirds (70%) of persons who receive AFDC benefits leave the program, at least temporarily, within two years. However, almost half of the current recipients have received benefits for a total of five years, including repeated spells.[19] Long-term or repeated use of benefits has prompted interest in time limits for AFDC benefits by both Democrats and Republicans. In addition, seven states have received approval for testing AFDC time limits in their welfare reform programs: Colorado, Florida, Iowa, South Dakota, Utah, Vermont, and Wisconsin.[20]

Medicaid: Medicaid is the federal-state health insurance program that serves 32 million low-income Americans. It provides medical assistance to all households that receive AFDC benefits and many (82%) that receive Supplementary Security Income.[21] In addition, pregnant women and children up to age six with incomes up to 133% of the federal poverty level also are eligible for Medicaid coverage. States have the option to cover pregnant women and children up to 185% of poverty.[22]

In fiscal 1993, federal Medicaid spending for welfare recipients reached $15.5 billion while the states' share totaled $11.7 billion.[23] Part of the reason that states have moved aggressively to control welfare spending in recent years is due to Medicaid's rising costs. State spending on Medicaid increased 17.5% between 1991 and 1992, and by 18.4% between 1992 and 1993.[24] It is important to note that the total fiscal 1993 federal expenditure for Medicaid was $75.8 billion, with welfare-related Medicaid spending accounting for 20.5% of the total federal Medicaid expenditure figure. Almost one-third (33.1%) of fiscal 1993 Medicaid spending was for those 65 years of age or older, primarily for long-term care, compared to 11.1% of Medicaid spending which went to care of children 5 years of age or younger.

An outcome of the recent trend to limit AFDC eligibility by states has been a decrease in Medicaid availability. Since Hispanics tend to reside in states that have restricted AFDC eligibility, such as Texas, where the maximum income level for AFDC eligibility is 29% of the poverty level, their access to Medicaid coverage is diminished. That situation is further exacerbated by the lack of private health insurance available in jobs such as seasonal labor or low-paying service sector jobs.

Supplemental Security Income: Supplemental Security Income, or SSI, provides monthly cash payments to low-income aged, blind, and disabled persons. In 1992, more than 5.5 million people received SSI benefits at an average monthly payment of $358 per recipient, according to data from the Social Security Administration.[25] In 1993, there were 683,150 legal immigrants who received SSI payments, or about 11.5% of the total number of individuals who received these benefits.[26] Illegal immigrants do not qualify for SSI benefits.

Of the total number of legal immigrants receiving benefits, 61% were aged (65 or older when they entered the SSI rolls), and 39% were blind or disabled. In fiscal 1993, legal immigrants received about $2.6 billion or 12.3% of federal SSI benefits that totaled $21 billion. Twelve states limit Medicaid coverage by requiring SSI recipients to meet additional criteria.[27]

Earned Income Tax Credit: The Earned Income Tax Credit, or EITC, is a refundable federal income tax credit that is available to parents who are employed but earn a modest income. In fiscal 1993, 13.9 million low-income families received EITC benefits, for a total program cost of $9.4 billion.[28] Individuals whose family income falls below $23,760 for a family with one child or $25,300 for more children qualify for the tax credit. In 1991, the EITC went to 40% of the 4.2 million families headed by a single mother. Families can receive the tax credit at the end of the tax year or by advance payments throughout the year. The maximum annual credit is $2,038 for one child and $2,528 for two children. The tax credit is reduced after a family's adjusted gross income exceeds $11,000 a year.[29]

Job Opportunities and Basic Skills Program (JOBS): This program is one of the key elements of the 1988 Family Support Act, the last major welfare reform legislation passed by Congress. JOBS provides mandatory education, job training, and employment services to parents of AFDC families whose youngest child is aged three to five. Significantly, the 1988 law also provides supportive services, such as child care and medical coverage through Medicaid for at least one year when families leave welfare for full-time employment.[30] JOBS programs were required to be up and running in all states by October, 1992.

While JOBS showed some encouraging preliminary results, its implementation coincided with the onset of a national recession that led to increasing welfare caseloads and declining state revenues.[31] State funds were necessary, but largely unavailable, to share the cost of the program's education, employment and training services.[32] Of the more than 4 million parents receiving AFDC checks each month, JOBS served only about 11% in an average month from fiscal years 1991 to 1993. Furthermore, program administrators report that they lack the capacity to provide current JOBS participants with the services and assistance that they need. According to a fiscal year 1992 report from the U.S. Department of Health and Human Services, Hispanics represented 17.8% of all AFDC cases, but a lower percentage (12.8%) of JOBS participants.

The JOBS program is showing mixed degrees of effectiveness, depending on the

resources that states commit to it. For example, in New Jersey, officials used 90.5% of available federal funds in creating the REACH program, the state's version of JOBS.[33] Hispanics made up more than one-quarter (26.0%) of the state's AFDC cases, and a similar percentage (29.8%) of the JOBS participants. In Arizona, 37.2% of available federal funds were used, well below the national average of 68.1%. More than one-third (37%) of the state's AFDC recipients are Hispanic, as are a similar percentage (38.5%) of its JOBS participants.[34]

The JOBS program followed an earlier federal job and training initiative, called the Job Training Partnership Act or JTPA. It provides occupational or on-the-job training, job search assistance, basic skills education, and other work-related assistance. In many states JOBS and JTPA programs are bundled into an overall training initiative.

Food Stamps: Food stamps are a federal program that helps low-income individuals and families purchase food through monthly coupons. The average value of monthly coupons in 1992 was $68. Out of the total number of households that received Food Stamps in 1992 (10.2 million), 17% were Hispanic, and 7.9% or 806,000 had at least one member who was a legal immigrant.[35] That member met the eligibility requirements for the program, which stipulate that monthly gross income be less than 130% of the federal poverty level. Slightly more than 21 million Americans received food stamp benefits an annual cost to the federal government of $24.6 billion in fiscal year 1993. States contributed $1.4 billion.

Special Supplemental Food Program for Women, Infants and Children (WIC): The Special Supplemental Food Program for Women, Infants, and Children, or WIC, is aimed at helping low-income mothers purchase nutritious food and milk for young children. About six million women receive WIC benefits, which totaled $2.9 billion in federal spending in fiscal 1993.[36]

Some Governors have expressed concern about the impact of block grants on nutrition programs, including food stamps and WIC. Recent analysis have shown that for most states,

while the recipient need is not expected to decline, block grants would mean a reduction in funds available to most states and for current recipients. This is because the current proposed block grant for nutrition, which would replace Food Stamps and WIC as well as other nutrition programs, would be reduced by 13 percent. Furthermore, state allocations would be tied to the number of low-income persons rather than to standards related to the cost of purchasing a nutritious diet in each state. The following table details the impact of a nutrition block grant on the 15 states with the largest Hispanic populations.

Projected Change for Fiscal Year 1996 in Average Benefit per Nutrition Program Recipient Under a Nutrition Block Grant by 15 States with Largest Hispanic Populations and Puerto Rico

State	Change in Average Benefit per Person	State	Change in Average Benefit per Person
Arizona	-14.75%	New Jersey	-15.35%
California	16.45%	New Mexico	-4.75%
Colorado	1.95%	New York	-14.00%
Connecticut	-3.55%	Pennsylvania	-12.40%
Florida	-18.15%	Puerto Rico	-2.50%
Illinois	-16.10%	Texas	-25.20%
Massachusetts	-0.30%	Virginia	-18.90%
Michigan	-19.95%	Washington	-25.60%

Source: U.S. Department of Agriculture. "The Nutrition, Health and Economic Consequences of Block Grants for Federal Food Assistance Programs," January 17, 1995

Housing Assistance: The Department of Housing and Urban Development and the Farmers' Home Administration provide subsidized loans to low-income persons for home ownership and rent assistance. HUD programs are targeted to "lower-income" families whose annual income is less than 80% of the median income in an area of "very low-income" families whose income is less than 50% of the median area income. Some $8.4 billion was spent on HUD-sponsored housing programs in fiscal 1993, aiding 2.1 million families. About 26% of AFDC families

receive direct housing subsidies. An additional 400,000 million low-income families received $1.3 billion in assistance through FHA subsidized loans. A related housing program, the Low-Income Housing and Energy Assistance Program, or LI-HEAP, is a block grant that goes to states to help low-income families afford heating.

Federal and State Spending: Federal, state and local spending on welfare programs totaled $126.3 billion in fiscal year 1993. The major components of that spending were for AFDC, Medicaid and Food Stamps with each program representing about a quarter of all welfare spending. The following table provides a profile of both federal and state welfare spending in fiscal year 1993 by welfare program.

Fiscal Year 1993 Welfare Spending Levels by Program[37]
(in billions of dollars)

	Federal	State-Local	% of Total
Means Tested Cash Assistance			
AFDC[1]	16.4 B	11.7 B	22.3%
SSI	21.2 B	---	16.8%
EITC	9.4 B	---	7.4%
Medicaid[2]	15.5 B	11.7 B	21.5%
JTPA[3]	1.7 B	---	1.3%
Food Stamps	24.6 B	1.4 B	20.6%
WIC	2.9 B	---	2.3%
Housing Benefits[4]	9.8 B	---	7.8%
TOTAL	**101.5 B**	**24.8 B**	**100.0%**

Notes:
(1) AFDC figure includes funding for other support programs through the Family Support Act, including the JOBS program.
(2) Medicaid figure applies to support for AFDC.
(3) JTPA figure does not include JOBS spending which is a part of AFDC spending. JTPA spending figure is for FY'92.
(4) Housing benefits figure includes the Low-income Housing and Energy Assistance Program (LI-HEAP). Localities accept below-tax payments in lieu of property taxes on public housing projects.

Welfare in Puerto Rico: The welfare system in Puerto Rico is different than the system in the 50 states. Programs such as AFDC, JOBS, Adult Assistance (SSI), Nutrition Assistance (Food Stamp) Programs, and Medicaid are provided to Puerto Rico under capped block grants. Funding to Puerto Rico under capped block grants represents only a fraction of 1% of total federal welfare spending. The following chart compares total federal spending and capped block grants to Puerto Rico for select welfare programs.

PERCENTAGE OF FEDERAL SPENDING REPRESENTED BY WELFARE PROGRAM BLOCK GRANTS TO PUERTO RICO

	Total Federal	Puerto Rico Block Grant	% of Spending
AFDC, SSI, Housing	47.4 B	82 M	0.2%
Medicaid	15.5 B	116.5 M	0.8%

Source: U.S. House of Representatives, Committee on Ways and Means. "1994 Green Book," July 15, 1994 and personal communication, Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services, February 9, 1995.

Many of the block grant caps have not been increased in the past several years. In 1950, a capped block grant was established to provide AFDC, Adult Assistance (SSI), and housing assistance. Between 1956 and 1972, the capped payments were reviewed bi-yearly by Congress and raised. However, in the last 20 years, the cap has only been increased three times. The last increase in 1988, set the cap at $82 million.[38]

Since then the AFDC caseload in Puerto Rico has almost doubled from 98,509 to 183,540 individuals.[39] The funding level has not provided sufficient monies to all eligible recipients or kept up with rising inflation rates and costs. As a result, monthly payments have been reduced to $32 for each adult, $24 for the first child and $8 for the second.[40] Puerto Rico does not currently operate an AFDC-UP program. However, the Commonwealth is mandated

under the Family Support Act of 1988 to offer AFDC to begin the program.[41]

The capped block grant for AFDC is not used only for AFDC funding. These funds are also used to provide other services such as Adult Assistance and housing assistance. Although Puerto Rico provides Adult Assistance, similar to the federal Supplemental Security Income (SSI) program, to its elderly, blind and disabled residents, the funds do not come directly from the federal SSI program. Instead, funds are allocated from the $82 million that are used for AFDC. Housing Assistance is also provided with AFDC funds. Approximately 20% of AFDC recipients are paid $100 per month to make rent payments.[42]

The Puerto Rico JOBS program, known as PASOS, had $9 million in funding in 1992 including federal funds and a 33% match by Puerto Rico.[43] Nearly one-fifth (19%) of AFDC recipients participate in PASOS, compared to the national average of 16%.[44]

The Nutrition Assistance Program (NAP) has been funded by an annual federal block grant since 1982. This program, similar to the Food Stamp program, provides aid to 1.5 million Puerto Ricans. Monthly benefits average $55 per person.[45]

Puerto Rico currently receives capped Medicaid funding of $116.5 million.[46] Current Medicaid funding in Puerto Rico is one-tenth the amount of funding the Commonwealth would receive at full parity with the mainland United States.[47] Over 50% of the Puerto Rican population utilizes federally-funded medical services. Yet, federal health care funding has decreased from 18% to 14% over the past five years.[48] As a result, Puerto Rico has been forced to eliminate critical medical services such as dental care, eyeglasses, physical therapy and nursing facility services for children.

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